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SENSITIVE, SIPDIS

USTR FOR GROVES AND FRANCESKI
COMMERCE FOR SAMS AND USPTO
STATE FOR EEB/KEAT

E.O. 12958: N/A
TAGS: [ECON](#) [ETRD](#) [KIPR](#) [EG](#)
SUBJECT: EGYPT CLAIMS IPR IMPROVEMENTS DURING USTR VISIT

REF: CAIRO 201

Sensitive but Unclassified, not for Internet Distribution

11. (SBU) SUMMARY: While maintaining their longstanding resistance to USG requests regarding pharmaceutical test data exclusivity, GOE officials claimed progress in protecting intellectual property rights (IPR) during a USTR-led visit July 27-29. Private-sector representatives agreed that IPR protection is improving, noting an increased political will to enforce ICT-related copyright protections even as technological advances make piracy cheaper and easier. GOE and private-sector representatives also agreed on the need for more training for Egyptian inspectors, prosecutors and judges, as well as increased public awareness of the economic damage of uncontrolled counterfeiting and piracy, and the health and safety hazards posed by illegal products. END SUMMARY.

12. (U) An interagency team comprising Jennifer Groves and Sonia Franceski of USTR, Stephen Keat of State EEB, Tom Sams of the Department of Commerce, and Oliver Metzger of the Copyright Office of the Library of Congress visited Egypt July 27-29 for discussions on IPR protection and US-Egyptian trade relations. The delegation met with GOE ministries and agencies concerned with trade and IPR protection as well as private-sector groups including the Egyptian Center for Intellectual Property and Information Technology and the American Chamber of Commerce in Egypt. Groves also spoke to an Arab League government and private-sector conference on "Modern Strategies for Combating Counterfeiting and Piracy".

Pharmaceuticals

13. (SBU) GOE trade and health officials reiterated their longstanding position that a USG request regarding test data exclusivity for pharmaceutical marketing applications would exceed Egypt's obligations under the Trade-Related Aspects of Intellectual Property (TRIPS) Agreement (reftel). Groves noted that while the GOE's regulations do not clearly provide protection against unauthorized reliance on pharmaceutical marketing approval data, the health ministry has in practice respected innovator drug patents and provided adequate data protection in recent years, and Health Minister Hatem el-Gabali promised to continue doing so in meetings with USTR Schwab and Commerce Secretary Gutierrez in Washington last year. Samia Salah, head of the GOE's Drug Policy and Planning Committee, took under advisement Groves' request for written confirmation of that pledge.

Copyright Enforcement

¶4. (SBU) Representatives of copyright-reliant industries including Arab Radio and Television (ART), Arab Media Corporation (AMC), Mazzika music channel, and software firms were complimentary toward the efforts of the GOE's Information Technology Industry Development Agency (ITIDA) to increase IPR protection.

¶5. (SBU) In a meeting organized by the Egyptian Center for Intellectual Property and Information Technology, the AMC representative said that IPR protection had improved significantly in his market during the last six months. He said that GOE officials are demonstrating increased political will to combat IPR violations through raids on illegal cable and satellite distribution, improved handling of evidence, and increased judicial training. However, he noted that Arabic music remains the most pirated music in the world. The Mazzika representative noted that pirated versions of his company's music appear on the internet within a day of release. Egyptian expatriates in the United States are the biggest consumers of the pirated music, he said.

¶6. (SBU) Industry representatives noted concern about the overlapping authorities of ITIDA and the Ministry of Culture, which has a historically poor record of IPR enforcement. In a separate meeting, Mohamed Abdou, a deputy to the Secretary General of Supreme Council of Culture, told the delegation that the Ministry intends to draft guidelines to clarify new roles of the two Ministries in the area of entertainment software. However, Mohammed Hegazy of ITIDA said separately that the Ministry of Culture and ITIDA already agree that the distribution license for all software should come from ITIDA. While ITIDA appears better able to enforce IPR for software, Hegazy warned that his office will have increasing difficulty soliciting case-by-case assistance from individual right-holders because of an increasing workload. His office now produces about 25 technical reports a day.

Requests for training

¶7. (SBU) GOE and private-sector officials noted a need for increased capacity in several IPR-related fields. Salah said the Ministry of Health is seeking training for inspections for counterfeit drugs, inspection of biological drug plants, and processing drug counterfeiting cases from start to finish. She said that pharmaceutical manufacturers such as Lilly, AstraZeneca, and Glaxo have already offered training to help combat counterfeits. Mohamed Abou Shady, head of the Anti-Counterfeiting and Trade Police, also sought cooperation from right-holder companies and the USG to bolster his unit's IPR training regimen. (Unfortunately Abou Shady has since retired, and we believe his successor lacks experience in IPR.) Industry representatives cited a continuing interest in USPTO training.

¶8. (SBU) Comment: In addition to requests for more training, the universal refrain we heard from government and industry is for more public awareness of IPR protection. However, we sense that the problem is not so much awareness but apathy. Retail buyers of pirated songs and software likely know, but do not care, that the products are illegal. We believe Egypt would benefit from public-awareness campaigns that highlight the health and safety dangers of counterfeit products such as bogus pharmaceuticals and auto parts, as well as the economic damage caused by uncontrolled counterfeiting and piracy, such as the loss of jobs and investment in copyright-reliant industries. Vigorous prosecution of IPR pirates, and publicity about significant sentences, would also help Egypt improve respect for IPR. We will continue working with GOE and industry representatives on these objectives.

¶9. (U) The visiting delegation did not have an opportunity

to clear this message.

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